



Senate

General Assembly

File No. 220

February Session, 2002

Substitute Senate Bill No. 446

Senate, March 28, 2002

The Committee on Human Services reported through SEN. HANDLEY of the 4th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING THE NATIONAL MEDICAL SUPPORT NOTICE.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2002*) (a) For the purposes of this
2 section:

3 (1) "Issuing agency" means an agency providing child support
4 enforcement services, as defined in subsection (b) of section 46b-231 of
5 the general statutes, and includes the Bureau of Child Support
6 Enforcement within the Department of Social Services and Support
7 Enforcement Services within Judicial Branch Court Operations; and

8 (2) "NMSN" means the National Medical Support Notice required
9 under Title IV-D of the Social Security Act and the Employee
10 Retirement Income Security Act used by state child support agencies to
11 enforce health care coverage support provisions in child support
12 orders.

13 (b) (1) Whenever a court or family support magistrate enters a

14 support order in IV-D support case, as defined in subsection (b) of
15 section 46b-231 of the general statutes, that requires a noncustodial
16 parent to provide employment based health care coverage for a child,
17 and the noncustodial parent's employer is known to the issuing
18 agency, such agency shall enforce the health care coverage provisions
19 of the order through the use of a NMSN.

20 (2) In addition to other notice and requirements contained therein,
21 the NMSN shall serve as notice to the employer that: (A) The employee
22 is obligated to provide employment based health care coverage for the
23 child; (B) the employer may be required to withhold any employee
24 contributions required by the group health plan or plans in which the
25 child is eligible to be enrolled; and (C) the employer is required to
26 forward the NMSN to the administrator of each group health plan
27 providing such coverage for enrollment determination purposes.

28 (3) In addition to other notice requirements contained therein, the
29 NMSN shall serve as notice to the group health plan that: (A) Receipt
30 of the NMSN from an employer constitutes receipt of a medical
31 support order; and (B) an appropriately completed NMSN constitutes
32 a qualified medical child support order for health care coverage
33 enrollment purposes.

34 (4) In any case in which the noncustodial parent is a newly hired
35 employee, the NMSN shall be transferred by the issuing agency to the
36 employer no later than two business days after the date of the entry of
37 the employee in the State Directory of New Hires established under
38 section 31-254 of the general statutes, together with any necessary
39 income withholding notice.

40 (c) (1) An employer who receives a NMSN from the issuing agency
41 shall: (A) No later than twenty business days, after the date of NMSN,
42 either (i) return the notice to such agency indicating why the health
43 care coverage is not available, or (ii) transfer the notice to the
44 administrator of each appropriate group health plan for which the
45 child may be eligible; (B) upon notification from any such group health
46 plan that the child is eligible for enrollment, withhold from the

47 employee's income any employee contribution required under such
48 plan and send the withheld payments directly to the plan, except as
49 provided in subsection (d) of this section; and (C) notify the issuing
50 agency whenever the employee's employment terminates. (2) Any
51 employer who discharges an employee from employment, refuses to
52 employ, or takes disciplinary action against an employee because of a
53 medical child support withholding, or fails to withhold income or
54 transmit withheld income to the group health plan as required by the
55 NMSN shall be subject to the penalties related to employer processing
56 of child support income withholding, as provided in subsections (f)
57 and (j) of section 52-362 of the general statutes, as amended. (3) The
58 issuing agency shall notify the employer promptly when there is no
59 longer a current order for medical support.

60 (d) The NMSN shall inform the employer of the duration of the
61 withholding requirement, of any limitations on withholding
62 prescribed by federal or state law, and of any withholding priorities
63 that apply when available income is insufficient to satisfy all cash and
64 medical support obligations. The employer shall notify the issuing
65 agency when any such withholding limitations or priorities prevent
66 the employer from withholding the amount required to obtain
67 coverage under the group health plan for which the child is otherwise
68 eligible.

69 (e) (1) The administrator of a group health plan who receives a
70 NMSN from an employer pursuant to subsection (c) of this section
71 shall deem the NMSN to be a "qualified medical child support order"
72 and an application by the issuing agency for enrollment of the child.
73 Enrollment of the child may not be denied because the child: (A) Was
74 born out of wedlock, (B) is not claimed as a dependent on the
75 participant's federal income tax return, (C) does not reside with the
76 participant or in the plan's service area, or (D) is receiving benefits or is
77 eligible for benefits under a state medical assistance plan required by
78 the Social Security Act. An enrollment shall be made without regard to
79 open season enrollment restrictions, and if enrollment of a child is
80 dependent on the enrollment of a participant who is not enrolled, both

81 the child and the participant shall be enrolled. (2) No later than forty
82 business days after the date of the NMSN the plan administrator shall
83 notify the issuing agency whether coverage is available or, if necessary,
84 of the steps to be taken to begin such coverage. The administrator shall
85 also provide to the custodial parent a description of the coverage
86 available and of any forms or documents necessary to begin coverage.
87 The issuing agency, in consultation with the custodial parent, shall
88 promptly select from any available plan options when necessary. Upon
89 completion of enrollment, the group health plan administrator shall
90 return the NMSN to the employer for a determination of whether any
91 necessary employee contributions are available.

92 (f) An employee subject to medical support withholding under this
93 section may contest such withholding based on a claim of mistake of
94 fact. Such employee may contact the issuing agency to request a
95 review of the claim and shall have a right to a fair hearing held by the
96 Department of Social Services if he or she is aggrieved by the outcome
97 of the review or if a review is not conducted during the thirty-day
98 period commencing on the date of receipt of the request. Employers
99 shall continue withholding employee contributions unless the issuing
100 agency notifies them to discontinue withholding after review of the
101 claimed mistake of fact, or upon order of the hearing officer.

102 (g) A NMSN issued pursuant to this section shall be deemed part of
103 the court order requiring employment based health care coverage. The
104 NMSN shall have the same force and effect as a court order directed to
105 an employer or group health plan administrator and may be enforced
106 by the court or family support magistrate in the same manner as an
107 order of the court or family support magistrate. The requirements
108 imposed on employers and group health plan administrators under
109 this section and the NMSN shall be in addition to any requirements
110 imposed on said employer or administrator under other provisions of
111 the general statutes.

112 Sec. 2. Subdivision (2) of subsection (a) of section 17b-745 of the
113 general statutes is repealed and the following is substituted in lieu

114 thereof (*Effective July 1, 2002*):

115 (2) (A) The court or family support magistrate shall include in each
116 support order in a IV-D support case a provision for the health care
117 coverage of the child which provision may include an order for either
118 parent to name any child under eighteen as a beneficiary of any
119 medical or dental insurance or benefit plan carried by such parent or
120 available to such parent on a group basis through an employer or a
121 union. Any such employment based order shall be enforced using a
122 National Medical Support Notice as provided in section 1 of this act. If
123 such insurance coverage is unavailable at reasonable cost, the
124 provision for health care coverage may include an order for either
125 parent to apply for and maintain coverage on behalf of the child under
126 the HUSKY Plan, Part B. The noncustodial parent shall be ordered to
127 apply for the HUSKY Plan, Part B only if such parent is found to have
128 sufficient ability to pay the appropriate premium. In any IV-D support
129 case in which the noncustodial parent is found to have insufficient
130 ability to provide medical insurance coverage and the custodial party
131 is the HUSKY Plan, Part A or Part B applicant, the provision for health
132 care coverage may include an order for the noncustodial parent to pay
133 such amount as is specified by the court or family support magistrate
134 to the state or the custodial party, as their interests may appear, to
135 offset the cost of any insurance payable under the HUSKY Plan, Part A
136 or Part B. In no event may such order include payment to offset the
137 cost of any such premium if such payment would reduce the amount
138 of current support required under the child support guidelines.

139 [(B) When a parent is ordered to provide insurance coverage in
140 accordance with subparagraph (A) of this subdivision, the court or
141 family support magistrate shall order the employer of such parent to
142 withhold from such employee's compensation the employee's share, if
143 any, of premiums for health coverage, except for certain circumstances
144 under which an employer may withhold less than such employee's
145 share of such premiums, as may be provided by regulation of the
146 Secretary of the United States Department of Health and Human
147 Services and pay such share of premiums to the insurer. The amount

148 withheld shall not exceed the maximum amount permitted to be
149 withheld as set forth in 15 USC 1673(b).]

150 (B) Whenever an order of the Superior Court or family support
151 magistrate is issued against a parent to cover the cost of such medical
152 or dental insurance or benefit plan for a child who is eligible for
153 Medicaid benefits, and such parent has received payment from a third
154 party for the costs of such services but such parent has not used such
155 payment to reimburse, as appropriate, either the other parent or
156 guardian or the provider of such services, the Department of Social
157 Services shall have the authority to request the court or family support
158 magistrate to order the employer of such parent to withhold from the
159 wages, salary or other employment income, of such parent to the
160 extent necessary to reimburse the Department of Social Services for
161 expenditures for such costs under the Medicaid program. However,
162 any claims for current or past due child support shall take priority
163 over any such claims for the costs of such services.

164 Sec. 3. Section 38a-497a of the general statutes is repealed and the
165 following is substituted in lieu thereof (*Effective July 1, 2002*):

166 (a) As used in this section (1) "insurer" shall have the same meaning
167 as "insurer", as defined in 42 USC S 1396g-1(b), as including a group
168 health plan, as defined in 29 USC S 1167(1), an employee welfare
169 benefit plan providing medical care to participants or beneficiaries
170 directly or through insurance reimbursement, or otherwise, a health
171 maintenance organization and an entity offering a service benefit plan,
172 and (2) "NMSN" means a National Medical Support Notice issued in a
173 IV-D support case pursuant to section 1 of this act.

174 (b) If a child has health insurance coverage through an insurer of a
175 noncustodial parent, such insurer shall: (1) Provide such information
176 to the custodial parent as may be necessary for the child to obtain
177 benefits through such coverage; (2) permit the custodial parent, or the
178 health care provider, with the custodial parent's approval, to submit
179 claims for covered services without the approval of the noncustodial
180 parent; [and] (3) make payments on claims submitted in accordance

181 with this section directly to the custodial parent, the health care
182 provider or the Department of Social Services; and (4) comply with the
183 terms of any applicable NMSN.

184 (c) An insurer shall not deny enrollment of a child under the group
185 health plan of the child's parent if: (1) The child was born out of
186 wedlock, provided the father of the child has acknowledged paternity
187 pursuant to section 46b-172 or has been adjudicated the father
188 pursuant to section 46b-171; (2) the child is not claimed as a dependent
189 on the federal income tax return of the parent; [or] (3) the child does
190 not reside with the parent or in the insurer's service area; or (4) if the
191 child is receiving, or is eligible for benefits under a state medical
192 assistance plan required by the Social Security Act.

193 (d) If a parent is required by a court or family support magistrate to
194 provide health coverage for a child, and the parent is eligible for family
195 health coverage, the insurer shall permit the parent to enroll, or shall
196 enroll pursuant to any applicable NMSN, under the family coverage, a
197 child who is otherwise eligible for such coverage without regard to any
198 open enrollment restrictions. If enrollment of a child is dependent on
199 the enrollment of a participant who is not enrolled, both the child and
200 the participant shall be enrolled. If the parent is enrolled for coverage
201 but fails to make application to obtain coverage for a child, the insurer
202 shall enroll such child under family coverage upon application of such
203 child's other parent, the state agency administering the Medicaid
204 program or the state agency administering Title IV-D of the Social
205 Security Act, or upon receipt of a NMSN, as provided in section 1 of
206 this act. The insurer shall not disenroll or eliminate coverage of such
207 child unless the insurer is provided with satisfactory written evidence
208 that the court or administrative order is no longer in effect or the child
209 is enrolled or shall be enrolled in comparable health coverage through
210 another insurer which shall take effect no later than the effective date
211 of such disenrollment, or the employer eliminates family health
212 coverage for all its employees.

213 (e) If a parent is required by a court or an administrative order to

214 provide health coverage for a child and the parent is eligible for family
215 health coverage through an employer doing business in the state, such
216 employer shall permit such parent to enroll such child under such
217 coverage without regard to any open enrollment restrictions. If a
218 parent is enrolled but fails to make application to obtain coverage of a
219 child, the employer shall enroll such child under health care coverage
220 upon application by the child's other parent or by the Commissioner of
221 Social Services, or his designee, when such child is eligible under the
222 Medicaid program or is receiving child support enforcement services
223 pursuant to Title IV-D of the Social Security Act. A NMSN shall
224 constitute an application for health care coverage by the issuing
225 agency. If a noncustodial parent in a IV-D case provides such coverage
226 and changes employment, and the new employer provides health care
227 coverage, the IV-D agency or an agency under cooperative agreement
228 therewith shall transfer notice of the provision for health care coverage
229 to such new employer, as provided in section 1 of this act. The notice
230 shall operate to enroll the child in the noncustodial parent's health care
231 plan if that portion of the obligor's income which is subject to
232 withholding pursuant to subsection (e) of section 52-362, is sufficient to
233 cover both the support order and health care coverage. At the time
234 notice is transferred to the employer, the IV-D agency, or an agency
235 under cooperative agreement therewith, shall also cause a copy of the
236 notice of such transfer of health care coverage to be delivered to the
237 obligor and to the custodial parent. The noncustodial parent may
238 contest such notice [by filing a motion for modification with the family
239 support magistrate] as provided in section 1 of this act. An employer,
240 subject to the provisions of this section, shall not disenroll or eliminate
241 coverage of any such child unless the employer is provided
242 satisfactory written evidence that: (1) A court or an administrative
243 order for health care coverage is no longer in effect; (2) the child is or
244 shall be enrolled in comparable health care coverage which shall take
245 effect not later than the effective date of such disenrollment or
246 elimination; or (3) the employer has eliminated family health care
247 coverage for all of its employees.

248 Sec. 4. Subsection (f) of section 46b-84 of the general statutes is

249 repealed and the following is substituted in lieu thereof (*Effective July*
250 *1, 2002*):

251 (f) After the granting of a decree annulling or dissolving the
252 marriage or ordering a legal separation, and upon complaint or motion
253 with order and summons made to the Superior Court by either parent
254 or by the Commissioner of Administrative Services in any case arising
255 under subsection (a) or (b) of this section, the court shall inquire into
256 the child's need of maintenance and the respective abilities of the
257 parents to supply maintenance. The court shall make and enforce the
258 decree for the maintenance of the child as it considers just, and may
259 direct security to be given therefor, including an order to either party
260 to contract with a third party for periodic payments or payments
261 contingent on a life to the other party. The court shall include in each
262 support order a provision for the health care coverage of the child
263 which provision may include an order for either parent to name any
264 child who is subject to the provisions of subsection (a) or (b) of this
265 section as a beneficiary of any medical or dental insurance or benefit
266 plan carried by such parent or available to such parent on a group
267 basis through an employer or a union. Any such employment based on
268 an IV-D support case shall be enforced using a National Medical
269 Support Notice as provided in section 1 of this act. If such insurance
270 coverage is unavailable at reasonable cost, the provision for health care
271 coverage may include an order for either parent to apply for and
272 maintain coverage on behalf of the child under the HUSKY Plan, Part
273 B. The noncustodial parent shall be ordered to apply for the HUSKY
274 Plan, Part B only if such parent is found to have sufficient ability to
275 pay the appropriate premium. In any IV-D support case in which the
276 noncustodial parent is found to have insufficient ability to provide
277 medical insurance coverage and the custodial party is the HUSKY
278 Plan, Part A or Part B applicant, the provision for health care coverage
279 may include an order for the noncustodial parent to pay such amount
280 as is specified by the court or family support magistrate to the state or
281 the custodial party, as their interests may appear, to offset the cost of
282 any insurance payable under the HUSKY Plan, Part A or Part B. In no
283 event may such order include payment to offset the cost of any such

284 premium if such payment would reduce the amount of current
285 support required under the child support guidelines.

286 Sec. 5. Subdivision (2) of subsection (a) of section 46b-171 of the
287 general statutes is repealed and the following is substituted in lieu
288 thereof (*Effective July 1, 2002*):

289 (2) In addition, the court or family support magistrate shall include
290 in each support order in a IV-D support case a provision for the health
291 care coverage of the child which provision may include an order for
292 either parent to name any child under the age of eighteen years as a
293 beneficiary of any medical or dental insurance or benefit plan carried
294 by such parent or available to such parent on a group basis through an
295 employer or union. Any such employment based order shall be
296 enforced using a National Medical Support Notice as provided in
297 section 1 of this act. If such insurance coverage is unavailable at
298 reasonable cost, the provision for health care coverage may include an
299 order for either parent to apply for and maintain coverage on behalf of
300 the child under the HUSKY Plan, Part B. The noncustodial parent shall
301 be ordered to apply for the HUSKY Plan, Part B only if such parent is
302 found to have sufficient ability to pay the appropriate premium. In any
303 IV-D support case in which the noncustodial parent is found to have
304 insufficient ability to provide medical insurance coverage and the
305 custodial party is the HUSKY Plan, Part A or Part B applicant, the
306 provision for health care coverage may include an order for the
307 noncustodial parent to pay such amount as is specified by the court or
308 family support magistrate to the state or the custodial party, as their
309 interests may appear, to offset the cost of any insurance payable under
310 the HUSKY Plan, Part A or Part B. In no event may such order include
311 payment to offset the cost of any such premium if such payment
312 would reduce the amount of current support required under the child
313 support guidelines.

314 Sec. 6. Subdivision (2) of subsection (a) of section 46b-215 of the
315 general statutes is repealed and the following is substituted in lieu
316 thereof (*Effective July 1, 2002*):

317 (2) Any such support order in a IV-D support case shall include a
 318 provision for the health care coverage of the child which provision
 319 may include an order for either parent to name any child under
 320 eighteen as a beneficiary of any medical or dental insurance or benefit
 321 plan carried by such parent or available to such parent on a group
 322 basis through an employer or a union. Any such employment based
 323 order shall be enforced using a National Medical Support Notice as
 324 provided in section 1 of this act. If such insurance coverage is
 325 unavailable at reasonable cost, the provision for health care coverage
 326 may include an order for either parent to apply for and maintain
 327 coverage on behalf of the child under the HUSKY Plan, Part B. The
 328 noncustodial parent shall be ordered to apply for the HUSKY Plan,
 329 Part B only if such parent is found to have sufficient ability to pay the
 330 appropriate premium. In any IV-D support case in which the
 331 noncustodial parent is found to have insufficient ability to provide
 332 medical insurance coverage and the custodial party is the HUSKY
 333 Plan, Part A or Part B applicant, the provision for health care coverage
 334 may include an order for the noncustodial parent to pay such amount
 335 as is specified by the court or family support magistrate to the state or
 336 the custodial party, as their interests may appear, to offset the cost of
 337 any insurance payable under the HUSKY Plan, Part A or Part B. In no
 338 event may such order include payment to offset the cost of any such
 339 premium if such payment would reduce the amount of current
 340 support required under the child support guidelines.

This act shall take effect as follows:	
Section 1	<i>July 1, 2002</i>
Sec. 2	<i>July 1, 2002</i>
Sec. 3	<i>July 1, 2002</i>
Sec. 4	<i>July 1, 2002</i>
Sec. 5	<i>July 1, 2002</i>
Sec. 6	<i>July 1, 2002</i>

HS *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact:

Fund-Type	Agency Affected	Current FY \$	FY 03 \$	FY 04 \$
GF – Cost	Judicial Dept.	-	\$428,000	\$449,000
GF – Cost	Dept of Social Services	-	Minimal	Minimal

Municipal Impact: None

Explanation

This bill requires the child support enforcement agencies (the Judicial Department and the Department of Social Services) to adopt new federal notification requirements for health care coverage support provisions in child support orders (National Medical Support Notice or NMSN.) In conformance with the new federal requirement, the bill requires the agencies to transfer the NMSN to an employer within two business days after the employee is entered into the State Directory of New Hires.

The enforcement agencies currently process approximately 7,200 medical support orders annually (4,800 in Judicial and 2,400 in Social Services). Due to the greater length of the NMSN forms than of those currently in use, this bill will result in additional printing and mailing costs. These additional costs are expected to be minimal.

The Judicial Department does not currently use the State Directory of New Hires to trigger medical support enforcement actions. Under the bill, it would be required to do so. It is estimated that this would increase the (annual) number of medical support enforcement actions from 4,800 to 21,750. The Judicial Department would require

additional staff to handle the increased volume of support orders. It is estimated that six additional positions would be required, at a total annual cost of \$428,000.¹ (*See the table below.*) Funds have not been included within HB 5019 (the Act Making Adjustments to the State Budget for the Biennium Ending June 30, 2003, and Making Appropriations Therefor, as favorably reported from the Appropriations Committee) for the cost of these additional positions.

Annual Cost to Implement the Bill (Added Staff for Judicial)		
	FY 03	FY 04
Personal Services	\$295,000	\$309,750
Fringe Benefits	\$118,000	\$123,900
Other Expenses	\$15,000	\$15,450
Total Cost to Judicial	\$428,000	\$449,100
Federal Reimbursement to the State	\$282,480	\$296,406
Net State Cost	\$145,520	\$152,694

Sixty six per cent of state expenditures for medical support enforcement are reimbursable by the federal government. As such, \$282,480 of the annual cost identified above would be reimbursed to the General Fund.

¹ This cost includes five medical support enforcement assistants and one medical support enforcement officer.

OLR Bill Analysis

sSB 446

AN ACT CONCERNING THE NATIONAL MEDICAL SUPPORT NOTICE**SUMMARY:**

This bill requires child support enforcement agencies to use the federally required uniform National Medical Support Notice (NMSN) when asking employers to withhold insurance premiums from noncustodial parents' wages for medical support of their children. It also prescribes procedures and the duties and obligations of the agencies, employers, and group health plan administrators in regard to the NMSN, and gives employees appeal rights.

The bill makes the NMSN legally part of a court order requiring employment-based health coverage and gives it the same force and effect as a court order. It allows a court or family support magistrate to enforce the NMSN in the same manner as any order. It makes the requirements that the bill and the NMSN impose on employers and group health plan administrators additional to any other state law requirements.

The bill also makes conforming changes in existing statutes.

EFFECTIVE DATE: July 1, 2002

ISSUANCE AND CHARACTERISTICS OF NMSN

Under the bill, whenever a court or family support magistrate issues a support order in a Title IV-D support case that also requires the noncustodial parent to provide employment-based health care coverage for a child and the parent's employer is known, the issuing agency (i.e., the support enforcement agency) must enforce the order's health care provisions through an NMSN sent to the employer. Federal law requires use of this form (see BACKGROUND).

("IV-D" cases are those where the family has received public assistance or asked the state for help in enforcing the support order. IV-D

“issuing agencies” are DSS’s Bureau of Child Support Enforcement and Support Enforcement Services in Judicial Branch Court Operations.)

The bill states that the NMSN serves as notice to the employer that:

1. the employee is obligated to provide health coverage to the child,
2. the employer may have to withhold employee contributions required by the group health plan or plans for which the child is eligible, and
3. the employer must forward the NMSN to the administrator of each group health plan providing such coverage for enrollment determination purposes.

Under the bill, the NMSN must inform the employer of (1) the withholding requirement’s duration, (2) any limits on withholding prescribed by federal or state law, and (3) any withholding priorities that apply when the employee’s available income is not enough to satisfy all cash and medical support obligations.

The bill also specifies that the NMSN serves as notice to the group health administrator that:

1. receipt of the NMSN constitutes receipt of a medical support order and
2. an appropriately completed NMSN constitutes a qualified medical child support order for health coverage purposes.

ISSUING AGENCY RESPONSIBILITIES

When an employee is entered into the state directory of new hires, the bill requires the issuing agency to transfer the NMSN to the employer within two business days, along with any necessary income withholding notice.

The bill also requires the agency to notify the employer promptly when there is no longer a current medical support order.

EMPLOYER’S RESPONSIBILITIES

The bill gives the employer 20 days after the NMSN’s date to either (1) return the notice to the agency indicating why health coverage is not

available or (2) transfer the notice to the administrator of each appropriate group health plan for which the child may qualify. The bill further requires the employer (1) upon receiving notice from a group health plan that the child is eligible for enrollment, to withhold required contributions under the plan from the employee's income and send the payments directly to the plan (unless withholding priorities prevent the employer from withholding the required amount) and (2) to notify the agency whenever the employee's employment ends.

The bill applies existing penalties related to employer processing of child support income withholding if an employer (1) discharges, refuses to employ, or disciplines an employee because of medical child support withholding or (2) fails to withhold or transmit the amount to the health plan as required.

The employer must notify the agency when the NMSN's listed withholding limits or priorities prevent withholding the required amount for the child's insurance coverage.

GROUP HEALTH PLAN ADMINISTRATOR'S RESPONSIBILITIES

The bill requires the group health plan administrator who receives an NMSN from an employer to consider the NMSN as a qualified medical child support order and an application for the child's enrollment. Under the bill, the administrator cannot deny enrollment because the child was born out of wedlock, is not claimed as a dependent on the participant's federal income tax return, does not live with the participant or in the plan's service area, or is receiving state Medicaid benefits. (All but the last of these prohibitions are already in state insurance statute.) The plan administrator must enroll the child without regard to open season enrollment restrictions and must enroll both the child and the employed parent if the child's enrollment depends on the parent's participation. (These two requirements are also already in the state insurance statute.)

The bill gives the administrator 40 business days after the NMSN's date to notify the agency whether coverage is available or, if necessary, the steps required to begin coverage. It also requires the administrator to give the custodial parent a description of the available coverage and of forms or documents needed to begin coverage. The agency, in consultation with the custodial parent, must promptly choose from available plan options, when necessary. When the child's enrollment

is complete, the administrator must return the NMSN to the employer to determine whether required employee contributions are available.

EMPLOYEES' RIGHTS

The bill allows an employee to contest medical support withholding based on a claim of mistake of fact. Under the bill, the employee can request that the agency review the claim and has the right to a DSS fair hearing if aggrieved by the outcome or if the review is not conducted within 30 days after the request is received. Employers must continue withholding contributions unless the agency notifies them to discontinue after the review, or the hearing officer orders them to do so after a hearing.

CONFORMING CHANGES

The bill makes several conforming changes in the insurance statutes and other laws. It (1) prohibits an insurer from denying coverage to a child under the parent's group health plan because the child is receiving or eligible for state Medicaid coverage; (2) requires that when a child's enrollment depends on whether the parent is enrolled, the insurer must enroll both of them when it receives an NMSN; and (3) specifies that one situation in which the insurer can disenroll the child is when the employer eliminates family health coverage for all its employees.

BACKGROUND

Federal Law

Federal law requires states to pass legislation mandating use of the federally developed NMSN (42 U.S.C.A § 666(a)(19), 45 CFR § 303.32). The laws must take effect by the first day of the first calendar quarter following the first legislative session held after October 1, 2001. That makes the deadline July 1, 2002 for Connecticut. The laws must also include basically the procedures, timeframes, and guarantees contained in this bill. States that do not meet the deadline are subject to loss of their federal child support enforcement money and part of their Temporary Assistance for Needy Families (TANF) funding until they have such legislation in effect.

COMMITTEE ACTION

Human Services Committee

Joint Favorable Substitute

Yea 18 Nay 0